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“Journal of Economics and Social Sciences”



American Tourism Industry: Current Trends Altai State Technical University

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Abstract

The article deals with the analyses of the most significant trends and economic data in the field of the American tourism industry of the period 2010 – 2016. Tourism industry is one of the largest industries in the United States that serves millions of international and domestic tourists every year. Special attention is given to the peculiarities of domestic and international sectors of the industry, and description of the most popular destinations in the recent years. The authors reveal their vision of the future and main challenges of the USA travel and tourism industry. Summing up, many experts admit that there are some challenges: a growing market of other destinations; a series of executive orders. In that case, it is essential for the federal and local authorities to take extra measures and financially stimulate tourism sectors.

Keywords: travel and tourism industry, national parks, inbound tourism, domestic travelers, tourism economics

1. Introduction

The travel and tourism industry is one of the largest industries in the United States that serves millions of international and domestic tourists every year. In 2016, travel generated \$2.3 trillion for the U.S. economy. It is a reliable and substantial source of employment for U.S. residents, directly providing around 5.5 million jobs annually. Nowadays many countries, as well as the USA, work hard to gain their places in that lucrative business.

In this paper, we will examine the current tendencies in the American tourism industry and identify the most popular destinations for travelers in America, discussing both most-visited states and the contribution of the National Park System; some American states are able to leverage their natural beauty to build their economies. We will also observe trends in travel to the United States between 2005 and 2015, including visits by Russians. Finally, some predictions will be offered on the future of the American tourism industry in 2017.

2. Popular States

Tourism forms an integral part of the United States economy: in 29 out of 50 states, tourism is the first, second, or third most lucrative sector, and in 2004 the industry employed 7.3 million

Americans (Parks 2007) [3]. The figure has likely grown since then, as foreign tourism continues to increase.

The largest contributors to American tourism are Americans themselves. In 2015, the most popular destination was California, with approximately 145 million visitors. According to analysts at the market research firm Euromonitor International, 134 million of these were domestic travelers [5]. In comparison, immigration statistics show only 10 million foreign visitors to the state in the same year (Department of Homeland Security 2015) [10].

Although the numbers of domestic and international travelers are on different scales, their destinations of choice are largely the same. California, Florida, Nevada, Texas, and New York fall into the top six travel destinations for both groups (Polland 2014 & DHS 2015) [4, 10].

These five states have several strong selling points. First, aside from Nevada they constitute the four most populous states, leading to well-developed infrastructure and a greater variety of tourist activities. Additionally, all five states are home to popular cities for tourists, such as Los Angeles (California), San Antonio (Texas), Orlando (Florida), Las Vegas (Nevada), and New York City. Like any metropolis, these urban centers offer historical and sightseeing opportunities as well as cultural attractions such as museums, music, theater, and cuisine. Aside from the activities provided by any large city, however, these five states each have additional powerful draws. California and Florida are known for their sandy beaches and theme parks, including Disneyland and Disney World respectively; Texas has a rich cultural history and numerous landmarks outside of city centers, including the Alamo, a famous symbol of the American independent spirit; New York City has one of the world's most vibrant theater communities; and Nevada's Las Vegas is a center for gambling, dining, and entertainment unrivalled by any other city in the United States. The unique attributes of these five states easily explain their position as the most desirable tourist destinations in the country.

3. National Parks

Other tourists prefer to skip large cities and focus on natural beauty. These visitors are often drawn to American national parks. The National Park Service, established in 1916, is a system by which the Federal Government designates, protects, and regulates unique natural areas. Currently, the National Park Service oversees 417 sites, including 59 official national parks. These parks are designed to create a balance between natural preservation and human visitors; while tourists are allowed to visit the parks, disruptive activities such as logging, mining, and long-term human habitation are not permitted [1].

Some National Parks have gained worldwide fame, particularly Arizona's Grand Canyon and Yellowstone on the border of Idaho, Wyoming, and Montana. Many parks are a significant source of tourism for their states. In 2015, the most popular park was Great Smoky Mountains in Tennessee and North Carolina, with 10,712,674 registered visitors. Other popular parks included Grand Canyon, Yellowstone, Colorado's Rocky Mountain, and Yosemite in California. Each of these parks received over 4 million visitors in 2015 [11]. Although individual parks may have low visitor numbers compared to urban areas, a single state may contain multiple parks, adding to its tourism potential. California, for instance, contains nine separate national parks, each of which brings thousands or even millions of ecologically-minded travelers to the state each year. While visitors to national parks certainly do not represent a majority of travelers, the park system nevertheless employs over 21,000 people and provides a model for high-traffic, low-impact eco-tourism in otherwise remote areas (National Park Service Budget 2014) [1].

4. Ten-Year Trends

Data from 2005–2015 indicates that tourism in the United States is on the rise, especially from international visitors. The total number of non-immigrant entries by foreign citizens has more than doubled since 2005, up from 32 million to over 76 million in 2015, despite a slowdown in travel following the 2008 financial crisis (DHS 2005, 2015) [10]. In 2015, 47.4% of these visitors were from countries in North America, with Europe in a distant second place at 22.6% (DHS 2015).

This explosion of visitors to the United States did not leave Russians behind, with Russian visitors to America increasing from 139,515 in 2005 to 413,011 by 2014. However, the shift in diplomatic relations in 2014 led to a steep drop-off of Russian visitors to the United States the following year: only 323,435 Russians entered the United States in 2015, a 22% decrease from the year before (DHS 2014, 2015) [10].

Because visa statistics do not differentiate between business and tourist travel, it is difficult to determine to what degree these numbers reflect a growth in tourism or international business; however, the popularity of tourist-friendly states like Nevada, Florida and California suggest that tourism is a major contributing factor in the increase in foreign visits to the United States.

At the same time travel experts notice that demand for U.S. tourism to Russia has seen an undeniable growth, in spite of tenuous political relations between the two countries. Among the unsurpassed favorites are certain cities and attractions such as Moscow and the Kremlin, St. Petersburg and the Hermitage, Russian river cruises, and the Trans-Siberian Railway [6].

However it should be noted that in 2015 Canada and Mexico, the US neighboring countries, received both 9% more of international arrivals while the results in the USA itself were more modest with only 3% growth, due to the stronger dollar, making the destination more expensive to virtually all of its source markets. But a look at bare statistics [9] makes it obvious that the United States continues to top the international tourism receipts ranking, with US\$ 206 billion earned in 2016. Its nearest competitor is Spain with only US\$ 60 billion. The USA is also the second largest destination in international tourist arrivals with 76 million, giving way only to France with 83 million.

5. Projections for 2017

Official tourist data is not yet available for the 2017 fiscal year, but some analysis is already underway. Following the inauguration of President Donald Trump in January 2017, some travel trends have already begun to shift [8]. In what the Guardian refers to as the “Trump slump”, [2] during the two weeks following the inauguration flight app Hopper saw a 17% decline in booking of flights to the United States, particularly from predominantly-Muslim countries targeted by the new President’s harsher visa policies [7]. Similarly, Forward Keys market analysts noted a 6.5% decrease in bookings compared to the same period in 2016. In general, projections for American tourism in 2017 are not favorable.

However, during the same period Hopper noted an 88% increase in travel to the United States by Russians. If President Trump maintains his pro-Russia stance and lowered demand continues to lower the cost of U.S. tourism, we could see a massive growth in Russian tourism to America in next several years.

6. Conclusion

Based on everything discussed above it is apparent that the American tourism industry is on the rise. Nevertheless, it is quite obvious that American domestic tourism prevails over outbound and inbound tourism. Americans themselves are very active tourists choosing their own country with a wide chain of amazing national parks, gambling zones and beach areas. The USA may boast about their own various natural landscapes and highly developed infrastructure. Though, many experts admit that there are some challenges. First is a growing market of other destinations like the Middle East and Africa. Second is a series of executive orders that Trump instated, which some industry leaders expect, will lead to decreasing the number international visitors from several majority Muslim countries. In that case it is essential for the federal and local authorities to take extra measures and financially stimulate tourism sectors.

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